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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	:
	:
SEARS HOLDINGS CORPORATION, et al.	:
	:
Debtors.	:
-----X	

Chapter 11
Case No. 18-23538 (RDD)
(Jointly Administered)

SUPPLEMENTAL CURE OBJECTION
OF SAUL SUBSIDIARY I LIMITED PARTNERSHIP
(Store #1304)

Saul Subsidiary I Limited Partnership (“Saul Sub I”), by and through its counsel, hereby files this Supplemental Objection to the Debtors’ stated cure amount, and in support states:

1. Saul Sub I is the lessor for real property known as Store #1304 located at 11255 New Hampshire Avenue, Silver Spring, Maryland 20904 (the “Premises”), pursuant to that certain Lease dated October 9, 1964 (as amended and assigned) (the “Lease”).

2. On January 18, 2019, the Debtors filed their Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Global Sale Transaction (the “Cure Notice”) (ECF No. 1731).

3. On Exhibit B to the Cure Notice, Debtors assert that the Cure Cost for the Lease is \$49,544.00 (the “Alleged Cure Cost”).

4. On January 25, 2019, Saul Sub I filed its Cure Objection (ECF No. 1855) (“Initial Cure Objection”), pursuant to which Saul Sub I stated that the actual Cure Cost due under the terms of the Lease was \$277,528.86 (through January of 2019), consisting of the following:

Real Estate Taxes Due (7/2018-6/2019) ¹	\$253,737.28
October 2018 Rent	\$6,250.00
Additional Tax (Appeal Fee)	\$20,969.00
TOTAL	\$277,528.86

5. Copies of invoices, tax bills and other supporting documentation in support of the above amounts were attached to the Initial Cure Objection as **Exhibit 1**, all of which are incorporated herein by reference.

6. The Lease also requires the tenant to pay percentage rent. Pursuant to the Lease, percentage rent is calculated for the period of March through February. On March 22, 2019, Saul Sub I invoiced the tenant for percentage rent in the amount of \$65,197.71. Pursuant to the Lease, the percentage rent is due 30 days from the date of billing, which was April 21, 2019. A spreadsheet showing the percentage rent calculation is attached hereto as **Exhibit A**.

7. As a result, the current Cure Cost due under the terms of the Lease is **\$327,359.06**, consisting of the following:

Real Estate Taxes Due (7/2018-6/2019)	\$253,737.28
October 2018 Rent	\$6,250.00
Additional Tax (Appeal Fee)	\$20,969.00
Percentage Rent	\$65,197.71
Less Payment Received for stub rent of \$3,427.42	(\$3,427.42)
Less Additional Payment of \$15,367.51	(\$15,367.51)
TOTAL	\$327,359.06

¹ Under Maryland law, property taxes are billed and are due in advance. Saul Sub I paid the subject property taxes prior to the filing of the above-captioned bankruptcy cases and billed the Debtors prior to the petition date.

8. On April 19, 2019, Debtors filed a Notice of Assumption and Assignment of Additional Designatable Leases [Doc. 3298] (the “Assumption Notice”). Exhibit 1 to the Assumption Notice states that the Proposed Cure Amount for Store No. 1304 is \$0, the Counterparty’s Asserted Cure is \$277,528.86, and the Disputed Amount is \$277,528.86.

9. For the reasons stated herein, and as supported by the documentation attached hereto and attached to the Initial Cure Objection, the current actual Cure Amount is **\$327,359.06**.

10. Pursuant to 11 U.S.C. § 365, the Lease may not be assumed unless all monetary defaults are paid.

11. Saul Sub I further joins in the objections and supplemental objections filed by Debtors’ other landlords to the extent that such objections are not inconsistent with the relief requested herein.

12. Saul Sub I reserves its rights to make such other and further objections as may be appropriate, and to supplement the cure amount in the event additional amounts come due prior to any assumption and assignment.

WHEREFORE, Saul Sub I respectfully requests that the Court condition the proposed assumption and assignment upon the prompt payment of the actual cure cost.

Dated: New York, New York
May 2, 2019

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CERTIFICATE OF SERVICE

I hereby certify, that on May 2, 2019, I caused a true and correct copy of the foregoing Cure Objection to be sent to each of the following persons, by email (unless otherwise stated):

Bid Notice Parties

- i. The Debtors
Rob Riecker - Rob.riecker@searshc.com
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- iii. Debtors' Investment Banker, Lazard Freres & Co., LLC
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